UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

Distributed on request
DP/PROJECTS/6987

ENGLISH

APPROVAL OF UNDP ASSISTANCE TO A PROJECT OF BOLIVIA

IPF:(1987-91) $ 23 500 000

(BOL/90/016) -Export Promotion - Wood Manufactures

Date of approval by the AC:[1]	20 February 1991
Expected duration:	36 months
Proposed executing agency:	International Trade Centre (ITC)
Government implementing agency:	Institute for Export Promotion (INPEX)
Proposed UNDP contribution:	$ 180 000 Source of funds:IPF
Third-party cost sharing:	$ 708 000
Total UNDP budget:	$ 888 000

Project background

As part of the efforts to increase and diversify exports, the Government of Bolivia has recently taken two steps: at the institutional level, it has established the Institute for Export Promotion (INPEX), a public institution with wide representation and participation by the private sector, and at the marketing level, it has undertaken a major review of the productive sectors to analyze their export potential. Both efforts have been supported by UNDP, mainly through projects co-financed by IDB, and by the International Trade Center.

Among the non-traditional sectors which have been estimated to have the highest export potential is the manufacturing of wood products (furniture, parts, doors, windows, frames, toys, etc.). The forestry industry in Bolivia employs approximately 15,000 people, of which about 5000 directly employed in wood manufacturing enterprises, which are organized in regional and national associations.

The composition, production and capacity of the sector have therefore been carefully reviewed to identify those areas where technical assistance is required in order to take advantage of the existing potential. The enterprises of the sector have been evaluated to assess the degree of

[1] This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

development of their management capacity, layout and equipment, marketing, design, quantity , variety and quality of products, labor skills, etc. As a result, it has been possible to reach the conclusion that only approximately 50 enterprises can be defined as small industries, and they employ approximately 2000 people. Their development potential vary greatly: few of them could easily target an increased production for export of competitive products, both in quantity and quality, in the short term. The other enterprises will require considerable strengthening in order to increase productivity and develop a successful export production line. All these enterprises require technical assistance in the following areas: export management and techniques, technology development, product design, quality control, logistic, and marketing.

The Government of Denmark has begun to assist those enterprises few months ago with the assistance of ITC. In view of the fact that UNDP is already actively involved in the area of export promotion, the Government and the Danish Government have agreed that the bilateral cooperation be channelled through UNDP.

Description of project

This project is related to the objective "b" of the Country Programme, which is to revitalize and diversify manufacturing production. The immediate objectives are to:(a) increase the export of manufacturing products by 15 percent annually over its duration and diversify the type of wood used in the industry; (b) strengthen the capacity of selected enterprises in export management and increase their productivity; and (c) develop a general strategy for transportation, logistic, and marketing for wood products.

Project activities will include: (a) increasing export of wood products by a annual rate of at least 15 percent for the duration of the project, as well as productivity of selected enterprises, as reflected in the ratio labor/exported production; (b) establishing 150 persons in both managerial and technical positions in selected enterprises trained in product design, applied technology, quality control, export and marketing techniques; and (c) conducting a study on the physical distribution chain, including comparative cost-benefit analysis.

Inputs

UNDP will provide international experts and consultants (61 work-months), including a chief technical advisor, consultants in international transportation, marketing, production methods and technology, commercialization; local support staff (72 work-months); travel costs; books, manuals, one personal computer and accessories, one vehicle; and miscellaneous costs.

Financial data

	$
Personnel	825 200
Equipment	28 600
Miscellaneous	34 200
Total	888 000